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OUR WAR WITH GERMANY

VII

(September 17—October 17)

At three o'clock on the afternoon of Saturday, October 6, the first session of the Sixty-fifth Congress adjourned without day. It was just six months, to a day, from that April afternoon when President Wilson attached his signature in approval to Public Resolution No. 1, the first act of this Congress, which declared war against the Imperial German Government. No other session of the American Congress ever transacted so much business, or business of so great importance to the nation and the world, as this. In those six months more provision for military preparedness, and for the mobilization and effective use of the military resources of the country, was made than in all the previous history of the nation, whether the standard of comparison be the character of the legislation enacted or the amount of money appropriated and of expenditure authorized.

This session, for the first time in the military history of the United States, applied the principle of universal military service at the opening of a war, and enacted the so-called "selective draft" law under which the first units of the new National Army are now organizing and receiving their first training.

It established beyond question the paramountcy of the nation in the dual system by extensive exercise of the power to control or take over enterprise and industry, including land and water transportation; fix prices, even of agricultural production; direct operations; assign priority of production and transportation, and otherwise generally perform the normal functions of owner and master.

It provided for financing these new operations of government on a scale and with a liberality previously unheard of, assuming freely the enormous burden of furnishing the chief financial support to our Allies while at the same time preparing and maintaining, on our own part, fighting forces, land and naval, of colossal proportions.

It provided for the equipment of these land and naval forces with all fighting material of the most effective design and in unlimited quantities, including an air fleet calculated by itself to outnumber the combined establishments of our enemies, as well as new naval construction that will make the United States Navy "incomparably the strongest afloat" to use the language of the Secretary of the Navy.

It took a long step toward the practical solution of the much debated question of the rehabilitation of the American merchant marine by authorizing the expenditure of nearly two billion dollars for the construction, charter or requisitioning of vessels by the United States for the merchant service.

Much public criticism attended the labors of the session, evoked chiefly by delayed action on measures strong in popular support as necessary to the successful prosecution of the war. Yet these delays were almost all caused by a small group of men in the Senate, whose activities in opposition to the war finally culminated in a wide-spread and growing demand for their expulsion from the Senate or other punishment, as teachers of sedition and disloyalty.

President Wilson, who had made clear, long ago, his own opinion of the obstructive tactics of this group, sent a final message to Congress strongly praising the work it had done, and expressing the view that it had been done thoroughly and "with the utmost dispatch possible in the circumstances or consistent with a full consideration of the exceedingly critical matters dealt with."

War measures that occupied the attention of Congress during the last month included the second Urgent Deficiency appropriation, carrying approximately eight billions for war purposes of one kind or another; the War Revenue bill, designed to raise about two and a half billions a year by taxation; the Enemy Trading Act; an act providing for insurance and compensation for injury or other disability, for soldiers and others in the military service, and a number of acts of lesser importance. This latter category includes an act placing control of the sale, distribution and storage of explosives under the Bureau of Mines; an act permitting National banks to issue notes of \$1 and \$2 denominations; an act giving the Shipping Board power to suspend the navigation laws and permit foreign vessels to enter the coastwise trade, except to Alaska, during the war, and an act covering the repatriation of Americans who have joined foreign armies to fight against Germany. There was also an act restoring the grade of general in the army, last held by General Sheridan. Under its authority the President has already promoted General Pershing, in command of the American forces in France, and General Bliss, the new Chief of Staff.

This session made what members of the Administration and all other Americans hope will be a record for all time in the expenditure of money. The total of its appropriations—almost wholly for war—for this fiscal year was \$16,901,986,814. Besides this it authorized contract obligations calling for \$2,511,553,925 more. The regular session of the last Congress, last winter, had provided appropriations for this fiscal year, before we entered the war, aggregating \$1,977,210,200, which included \$517,000,000 for the navy and \$273,000,000 for the army. Thus the total of appropriations and contract authorizations for the fiscal year 1918, by the two sessions of Congress, is \$21,390,730,940, to which the minutely accurate statisticians of the Treasury and Congress add the important detail of 46 cents.

This inconceivable sum includes \$7,000,000,000 for loans to our Allies. The first deficiency bill of the session carried authorization for three billions for our Allies, and that limit has nearly been reached. The loan authorization in the second bill was four billions. Loans are made to the Allies at a rate averaging pretty close to twenty million dollars a day. Exclusive of these loans our total of appropriations and contract authorizations for this fiscal year is \$14,390,730,940, which ought to be somewhere in the neighborhood of our total war

bill for the first year. But there are still eight and a half months of the fiscal year to run, and during seven of them Congress will be in session again, ready to respond, as it has done heretofore, to every call for war money from any department of the Government.

Congress did not spend much time over appropriations, but it gave months to consideration of the revenue bill, and in the end put forth a measure that has aroused wide-spread and bitter criticism because of some of the provisions of the war profits and income tax sections, and of the special favor shown to Congressmen themselves. The tax bill passed the House on May 23, but did not come to a vote in the Senate until September 10. The conferees wrangled over its provisions for nearly three weeks, and rewrote several sections entirely. The tax on incomes and on excess profits furnished the chief points of controversy, as had been the case in the Senate. Also the postage rates on second class mail matter, including magazines and newspapers, caused great argument. It was not until October 2, that the Senate agreed to the conference report, and the next day the President signed the bill. Then it was discovered that the conferees had written in a special excess profits tax of 8 per cent on the salaries or incomes of professional and salaried men in excess of \$6,000, but had been careful to provide that it should not apply to members of Congress. Some Congressmen have attempted to justify it on the ground that it is a sort of war excess profits tax and that such taxes should apply to professional and salaried men and to farmers as well as to manufacturers and business men.

The Enemy Trading Act which passed the House on July 11, and the Senate on September 12, came from conference on September 21, was agreed to quickly by both houses and was signed by the President on October 6. This law forbids the trading with or transportation of an enemy or ally of an enemy, or the transmission of communications to or for such person. Certain permissions may be made under license. Section eleven confers upon the President the same power over imports into the country that title 7 of the Espionage act gives him over exports. This act also forbids the publication of war comment in foreign language newspapers except under conditions tantamount to license by the Postmaster-General. It is probably the most drastic legislation enacted in the United States since the Embargo Act under President Jefferson. Under it the Government is empowered to assume a minutely detailed control of American trade, especially overseas.

On October 4, the House passed a bill to protect persons in the military service in their civil rights while away from home on duty. It contains a section forbidding the eviction of the family of a soldier for non-payment of rent during the war, where the monthly rental is less than \$50. This bill was not acted upon by the Senate, but will come up at the next session.

Just before Congress adjourned there was passed a resolution providing for a test by a board of five scientists of an invention by a Boston Armenian. It is a device for developing energy, for which the inventor makes marvelous claims, such as, for instance, that it will drive a ship across the Atlantic without fuel; that it will propel aeroplanes and do other similar work. If the five scientists certify that it

will do what is claimed for it, Congress will buy it for the Government. Its sponsors declare that it will end the war alone—if it works.

President Wilson's reply to the peace proposals of the Pope was the outstanding feature of the sixth month of America's participation in the war. Mr. Wilson rejected Pope Benedict's offer because, he said, "we cannot trust the German Government." The Germans accept the Pope's proposition because "with deep rooted conviction we agree to the leading idea of Your Holiness that the future arrangement of the world must be based upon the elimination of armed forces, and on the rule of international justice and legality. We, too, are strongly imbued with the hope that a strengthening of the sense of right would morally regenerate humanity." A statement like that from the German Government at a time like this illumines, as would the beam of a giant searchlight, the President's declaration that we cannot trust what Germans say.

Mr. Wilson gave renewed assurance of his determination to fight the war through to complete victory on October 8, when he received at the White House a delegation from the newly organized League for National Unity, and told them that the war should end only when Germany is beaten, and the rule of autocracy and might is superseded by the ideals of democracy.

About the middle of September the fact was permitted to become known that the President had selected his friend and personal adviser, Colonel House, to organize and supervise the collection of material which will be needed for the effective equipment of the peace commissioners of the United States, when the time comes for their appointment. Other belligerents have been busy for months gathering the economic and other data which their commissioners will need when they come to meet at the conference table, and it is important that the American commissioners shall have the fullest information available, not only upon the points to be covered by their own instructions, but also upon any points that may be brought up by other commissioners, allied or enemy.

Progress in organization and equipment of the fighting forces for actual participation on the battle fronts reached the point in this seventh month of our war where it began to be more easily realizable generally that we are really about to contribute in substantial fashion to the military overthrow of Germany. More and more men called under the selective draft were assembled in their training camps. Cantonments and camps for the National Guard units were brought nearer to completion. The reorganization of the Guard regiments upon the new army plan was begun. Equipment of all kinds for the men was ready in increasing supplies. On October 10, more than 461,000 men were in the various camps for training, and over 13,000,000 articles of equipment of one kind and another had been provided.

The Navy, which by its patrol and convoy work has been doing effective active service from the start of our war, has been increasing its participation abroad, while at home it has been increasing its capacity to participate. On October 9, Mr. Daniels announced that contracts had been let to five concerns for destroyers to cost \$350,000,000, all to be of the largest, newest and most efficient type. At the

same time the Secretary announced that the Navy is building 787 vessels of all classes and types, from superdreadnaughts to submarine chasers. The total cost of the building programme is \$1,150,400,000. Admiral Mayo returned from his conferences with allied naval men abroad, but no announcement was made as to what he had accomplished.

A report from the Shipping Board on September 26, showed that the Emergency Fleet Corporation then had under contract 353 wooden vessels, of a total deadweight tonnage of 1,253,900; 58 composite ships aggregating 207,000 tons, and 225 steel ships aggregating 1,663,800 tons. It had requisitioned ships then building for private owners in different American yards numbering 403 and aggregating more than 2,800,000 tons. This was a total of 1,039 vessels aggregating 5,924,700 dead-weight tons.

In addition there were 458 American ships then in service, with aggregate tonnage of 2,871,359 and 117 German and Austrian vessels, seized or obtained under charter or by purchase, aggregating 700,285 tons. When the building programme thus reported is completed the American fleet would have 1,614 vessels of tonnage aggregating 9,496,344, less submarine and other losses meantime. The appropriation bill then pending, however, contained authorization for a further construction programme of about 5,000,000 deadweight tons, so that the United States has a merchant fleet of upwards of fourteen million tons in sight. When the war began in 1914, our ocean going merchant tonnage was 1,614,000. The Shipping Board estimate of available British tonnage at the end of September was 14,500,000. British announcement of submarine losses for the second week in October was the smallest since the ruthless campaign opened on February 1. It was accompanied by the extremely significant announcement that British new construction for the week exceeded the losses. Taken together, these facts show that the time is very close at hand, if not already here, when the definite defeat of the submarine can be announced.

On October 15, the Shipping Board requisitioned all American vessels in service, directing that they be continued in service by their owners or charterers for Government account, and at rates fixed or to be fixed by the Government, with an allowance of 10 per cent commission for owners' services. Freight rates were sharply cut by this move, and it was expected that relief would be afforded to the South American trade which had suffered greatly from excessively high freights from American ports.

Governmental price fixing for the month had to do chiefly with coal and steel. Dr. Garfield, the Fuel Administrator, issued several reassuring announcements that there was no cause for or prospect of a fuel famine. Nevertheless, loud and frequent complaints came from coal producers and consumers both, one that prices fixed were below cost of production, and the other that despite the figures of larger production than in 1916 coal was not to be had in the localities of the complainants. On September 30, Dr. Garfield issued new orders increasing prices in certain bituminous districts, and reducing some anthracite prices. He also fixed the retailer's margin at that of 1915 plus 30 per cent for increased costs, or at that of July, 1917. No generally perceptible effect on retail prices followed.

Steel committees spent a good deal of time in Washington in consultation with the War Industries Board, and on October 10, a new range of price agreements was announced with the approval of the President. It is anticipated that oil prices will come next.

The Exports Administrative Board did a good deal during the month to smooth out causes of friction in the exports control, many of which were of minor importance and due to misunderstanding of regulations. On October 2, the Board announced a long list of articles and countries on which no license would be required. It was made increasingly evident that the chief purpose of the exports control is to prevent supplies of any kind reaching the enemy from this country or from any other if it can be helped. Great Britain is co-operating in this plan, and on October 2, the British Government laid an embargo on all shipments for Norway, Sweden, Holland and Denmark, except printed matter and personal effects accompanied by their owners. Two days later the Exports Administrative Board stopped the furnishing of bunker coal to neutral ships bound to neutral ports bordering on Germany. If Northern Europe wants to trade with South American neutrals for supplies for Germany it must find bunkers elsewhere than in the United States.

On October 14 an executive order by the President was made public reorganizing the Exports Administrative Board as the War Trade Board, and charging it with the duty generally of administering the Enemy Trading Act and the new control of imports. This order also delegated certain other war powers of the President to different departments.

The month's activities included a number of interesting revelations by the State Department and other sources concerning German intrigue, spy work, subornation of treason, instigation of sabotage and such things. On September 21, Secretary Lansing made public a telegram sent by Ambassador Bernstorff to the Berlin Government on January 22, just before our break with Germany, asking authority to pay out "up to \$50,000" in order "as on former occasions to influence Congress through the organization you know of, which can perhaps prevent war." Mr. Lansing's information proves that when von Bernstorff sent that message he knew, by receipt of the Zimmermann instruction about Mexico and Japan, that Germany intended to renew the U-boat campaign.

On October 3, Mr. Lewis, the Attorney General of New York State, announced some of the results of an investigation which he had made, at the request of the French Government, into the activities in New York last year of Bolo Pasha, of Paris, now under arrest there as a traitor and German agent. Mr. Lewis showed that Bernstorff had cabled his government for \$1,700,000, which Berlin furnished, and which the ambassador paid to Bolo as a corruption fund with which Bolo was to procure French newspaper support for Germany, especially in the *Paris Journal*. Several code messages passed, apparently through the good offices of some friendly diplomatist. In these messages the sums actually desired were divided by one thousand for code purposes.

Coupled with these disclosures of German intrigue there has been a steady rounding up of enemy aliens and sedition spreaders, which has aroused wide-spread interest and indignation throughout the country.

Several hundred enemy aliens were arrested in one raid in and about New York City, and fifty or more additional I. W. W. agitators were gathered in.

As the review month closed, a special outburst of indignation was manifesting itself against Senator La Follette and some of his colleagues who were held responsible for undue delay and obstruction of necessary war legislation in Congress. On September 20, Senator La Follette delivered a speech at St. Paul, Minn., in which he inferentially defended the sinking of the *Lusitania*, opposed the war and said things which led to his being accused before the Senate by the Minnesota Public Safety Commission as a "teacher of sedition." The Minnesota Commission petitioned the Senate to expel him. Other similar petitions for action against La Follette, Stone, Gronna, Hardwick, and Reed, the chief obstructionists, poured in, until the Committee on Privileges and Elections took formal notice of the La Follette and Stone cases. It acquitted Stone, pointing out that although he opposed the declaration of war he has kept still ever since and voted for all the Administration war measures. But it is investigating the St. Paul speech and will report on that at the next session.

The incidents show that the business of spreading sedition in the United States is becoming unpopular. Under the Enemy Trading Act the Postmaster-General announces that he will not permit foreign language newspapers to wage campaigns against conscription, or enlistments, the sale of bonds or collection of revenue, or anything tending to hamper the Government in its war work or improperly to attack our Allies.

Strikes and labor troubles marked the entire month, the chief demands coming from shipyard workers, coal miners and railroad men. Strenuous efforts by government mediators, and direct personal appeals by the President himself, were not sufficient to prevent considerable curtailment of production. The month closed with threats of a general railroad strike for wages.

In the latter part of September, Secretary McAdoo, of the Treasury, announced the flotation of the second instalment of the Liberty Loan of 1917 beginning on October 1. Bonds to the amount of \$3,000,000,000 are offered for subscription, but it is understood that in case the loan is oversubscribed half the oversubscription will be allotted, and the bond campaign is aimed at a subscription of at least five billions, which would mean an issue of four billions. The same kind of an intensive campaign is going on that marked the exceedingly successful flotation of the first loan, and the prospect is, as this is written, that it will be similarly successful.

(This record is as of October 17 and is to be continued.)